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INTEROFFICE MEMORANDUM

Doc. No: 028926 Date: 01-Jun-1992 11:42am EDT From: Ken Olsen OLSEN.KEN Dept: Administration Tel No: 223-2301

TO: See Below

Subject: TWO APPROACHES TO THE STRATEGY OF MANAGING A COMPANY

There are two approaches to the strategy of managing a Company. We always have to do both, but it makes a big difference on which one you put emphasis. The first approach is to put high priority on being equal or the best in class. This is by far the most attractive, because it is easy to understand and no one needs to have technical knowledge, or know about the customer's needs, applications, or selling.

The second approach is to make sure there is a consistent product set that does everything, is understood by the sales person and the consumer, is easy to learn, easy to bid, and, above all, complete with no missing parts. It takes an enormous amount of work, working out the details of a product line that is efficient and practical.

KHO:dao KO:7252 DICTATED ON 5/31/92, BUT NOT READ

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